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MEMORANDUM FOR: Executive Advisory Group Members

SUBJECT   :   Minutes of Meeting, 17 January 1979—Opening Session
                     on Review of ADP (A/IUO)

        1. Mr. Taylor, Secretary of the Executive Advisory Group (EAG),
opened discussion with remarks on the continuing need for Agency top
management to maintain a comprehensive overview of and guidance for the
Agency's total ADP program. He noted also that Congress continues to
keep a watchful eye on ADP, especially on cost growth. He then introduced
Mr. May, Director, Office of Data Processing (ODP), who provided a recap
of the 1978 ADP review, a short tutorial on current Agency ADP utilization,
and a preview of the 1979 ADP review. (A/IUO)

        2. For the benefit of new EAG members, Mr. May summarized last year's
EAG review of ADP. He noted specific guidance from the PRC (I) in 1977 for
senior management review of ADP and the finding of the President's
Reorganization Task Force that, in their review of agencies and departments,
only CIA had an effective, user-influenced top level data processing advisory
group. He explained that EAG's review of ADP last year centered on ODP, while
this year's review is broader—dealing not only with ODP but also with major
component-budgeted ADP activity elsewhere in the Agency. He noted that EAG
review is automatic for ADP projects consuming more than $250,000 annually.
(C)

        3. Mr. May explained the types of services provided by ODP (batch, VM,
and GIMS data management systems) and described the manner in which ODP
estimates future costs and how it records the actual cost of ODP services
provided to users. He noted that approximately 70 percent of ODP resources
service non-DDA requirements and that about 30 percent (in 1978) are devoted
to DDA requirements, many of which, however, serve the entire Agency. (S)

        4. Throughout Mr. May's presentation, members contributed points
and queries on a variety of issues:

            --In response to Mr. Carlucci's concern about the affordability
              of computer purchases in an era of constrained budgets,
              Mr. May explained: (1) that ODP, in most cases, purchases
              computers that are intended for at least five years of use—
              less expensive than total rental cost for the same period;
              and (2) that because time payments on several computers are

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now ending, new computers could be purchased in upcoming
years with no increase in ODP's current budget. (On a
question of inventory value, Mr. May estimated that ODP's
current computer holdings are worth about $50 million.)

—Messrs. Hicks and McMahon provided Mr. Carlucci and others
with a brief description of major computer system applica-
tions at NPIC and in the Operations Directorate.

—Mr. May drew attention to mounting requirements among
directorates for ODP services. He illustrated usage
trends, highlighted the peak load problem in batch
processing, and underscored the fact that the average batch
workload has risen to more than 3,000 jobs per day. He
stated that this volume will continue to rise and will create
a precarious situation—one that would have been alleviated if
ODP's computer purchase request in the 1980 program had not
been denied. (The request will be submitted again in the 1981
program.) Both batch and GIMS data management capacities
will be fully saturated by 1981—perhaps sooner. A recently
installed mainframe computer for the VM on-line system has
put this system in good shape for now, but when SAFE becomes
operational, VM is likely to be driven harder.

—The above probabilities prompted considerable EAG discussion
on ways to better control usage of ODP mainframe systems;
for example, direct charge to users, annual allocations of
time/usage to directorates, etc. Mr. May pointed out that
ODP provides monthly trend and usage reports to user managers
to enable them to manage their usage within the level of service
approved by the EAG. It was also pointed out that a charge-back
system should be considered cautiously; e.g., bookkeeping time
alone could become a bigger problem than the one to be solved.
Mr. Carlucci suggested that some kind of sensible mechanism
should be possible to prevent potential misuse of computer
services. It was pointed out that the EAG ADP review process
was such a mechanism. Mr. Dirks questioned the need to limit
ADP use through rigid management controls. Both he and
Mr. McMahon pointed out the valuable role played by computers
in the CIA and our increasing commitment to their use in
improving our intelligence product.

—Relatedly, Messrs. Hicks and May explored contrasting
views on the potential merit of "minicomputers" in the
Agency. Minicomputers today are improving impressively
in capability while per unit purchase costs decline. On
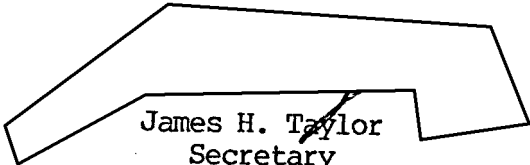the other hand, large mainframe computers are continually

improving in power and capacity with comparable price declines. A real danger of "minis" is unmanaged proliferation; however, a controlled balance of both might be possible and, indeed, desirable. This whole matter was stated to be less a technical problem than a management problem. Mr. May pointed out that budget stringencies have prevented ODP from pursuing its plan to exploit the minicomputer alternative in the 1980 program. (S)

5. Mr. May also touched on the following:

—Of 21 projects reviewed a year ago by the EAG, four exceeded original approval levels, due mainly to unforeseen circumstances and a lack of experience in estimating usage levels. Another four ran significantly under last year's approvals—the remainder are reasonably close to approvals. Overall, major project resource consumption was about 6 percent below levels approved.

—In the general area of "projections", Mr. Taylor noted that we will always suffer uncontrolled variables—variables in R&D project requirements are a good example. Mr. Hicks noted further that sudden demands for studies often call for unpredictable amounts of time-consuming computer simulations. Discussion moved also to our gaining a deeper understanding of significant changes taking place in ADP technology, from which to improve our ADP longer-term planning.

—Of 29 major ADP projects in 1979, 13 will be briefed to the EAG by user offices; the remaining 16 will be reviewed in summary detail only.

—Mr. May predicted that ODP could satisfy user requirements projected for 1979. (S)

6. Mr. May concluded his presentation with a review of major ODP investment requirements through 1983. (U)

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James H. Taylor
Secretary
Executive Advisory Group

cc: Mr. May

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